

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Cotton Loans and Loan Deficiency Payments
7-CN (Revision 15)

Amendment 30

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 170 A has been amended for clarity.

Paragraph 210.8 has been amended to provide:

- instructions for processing CCR bales with a negative repayment amount
- steps for accessing and printing a report of CCR county bales for manual redemption
- clarification of the title of the paragraph.

Subparagraph 210.10 A, step 13, has been amended to delete the instruction to provide a CCC-500 to persons other than the contact producer.

Subparagraph 210.11 C, step-table has been amended to change the order instructions are listed.

Subparagraph 214 B has been amended to correct the contact information and instructions about the collection of charges from producers.

Subparagraphs 261.5 B and 274 M have been revised to include the current version of CCC-633EZ.

Subparagraphs 262 A; 263B; 267 B; 267 C; 271 B; 274 A, B, C, D; 275 A and E; 275 J; 277 C; 278 B; and Exhibit 1 have been amended to delete references to CCC-709's and CCC-Cotton AA's. CCC-709's and CCC Cotton AA's are obsolete. CCC-633 EZ's shall be used for all types of cotton LDP applications.

Subparagraphs 274 J and K have been removed because CCC-709's are obsolete.

Subparagraph 275 D, G, and F have been removed because CCC-Cotton AA's are obsolete.

Subparagraph 275 H, items 41 and 42 of the instructions have been amended. CCC-633 EZ, item 41 has been amended from "mode of storage" to "module location at farm or gin." Instructions are provided if additional space is needed for item 42 entries.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 280 A has been amended to include the requirement for a State Office-issued passwords for manual entry of bale data.

Exhibit 10 has been amended to correct ELS cotton color 1, leaf 5 and color 3, leaf 1-2 rates.

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170 Preprocessed Bale Data

A Purpose

Beginning with the 2005 crop year, all loans will be based on data stored in COPS. The use of manual data entry directly into APSS will **only** be allowed by using a system password issued by the State Office. This will:--*

- require all loan data to be downloaded using the cotton PC software
- support the validation of duplicate benefits and data errors before the loan or LDP is disbursed.

Exhibit 13 provides 2 formats for preparing bale data files. These are the “extended” format and the “abbreviated” format. Either format may be used for loans.

Loans may be disbursed only if both of the following are available from COPS:

- EWR for which CCC is the current holder
- AMS classing records.

B Data Received by Diskette or E-Mail

Preprocessed bale data can be accepted by diskette or e-mail. If bale data is submitted electronically, the **producer must sign and date a paper copy** of the bale information to ensure that the electronic list corresponds to the producer’s loan request. County Offices shall print and retain in the loan folder these listings and process the loan using the table in paragraph 331.

Follow paragraph 330 to process cotton bale data received electronically. Any diskette received does not need to be retained; the signed, paper copy is sufficient record.

C Determining Date Documents Received

Subparagraph 181 B lists numerous documents that, in addition to a loan or LDP request, must be received to establish the “date documents received” in loan/LDP software. The “date documents received” is the date the last of the required documents was received.

One document that must be provided is a list of the bales that may be:

- a paper list
- an electronic pre-processed bale file.

170 Preprocessed Bale Data (Continued)**C Determining Date Documents Received (Continued)**

When either a loan or LDP application is supported by an electronically-submitted file of the bales, before the loan or LDP is disbursed, the applicant must initial a printout of the bale list. For loans, this can be CCC-Cotton A-1. This step ensures that CCC is acting upon a request that has been validated by the producer so that benefits are not mistakenly provided based on an erroneous bale list.

If the date the bale list, however submitted, is a determining factor for establishing the “date documents received”, then:

- use the date the bale list (whether paper or electronic) was received
- do not use the date the producer signed and dated a paper version of an electronic bale list.

170.5 Processing Loans Through Cotton Warehouse Receipt Process**A Processing References**

*--Beginning July 2, 2005, all loans will be based on classing and EWR data stored in COPS. The use of manual data entry and the practice of copying bale data files directly into APSS will **not** be allowed. This will:

- require loan data to be downloaded using the cotton PC software
- support the validation of duplicate benefits and data errors before the loan is disbursed.

Loans may be disbursed only if both of the following are available from COPS:

- EWR for which CCC is the current holder
- AMS classing records.

On Screen PLA000, option 4, “Warehouse Stored Regular”, can only be accessed using a password issued by the State Office.

County Offices shall process bale data for loans through the cotton warehouse receipt--* process according to the following table.

IF data is for...	THEN follow instructions in paragraph...
loans based on EWR's provided by:	
• preprocessed diskette	330
• e-mail	331
• paper listing	332.
gin-direct cotton loan	332.

210.7 Updating the EAD Indicator (Continued)**B Setting EAD Indicator for Redemptions Requested at County Office**

County Offices shall set the EAD indicator for redemptions requested according to the following.

IF the EAD flag is set to...	AND the following request is made...	THEN the EAD indicator shall be...
"Yes"	producer cancels CCC-605 in writing	*--set to "No". Note: Merchants previously identified as EAD cannot redeem loan--* cotton through CCR or at County Office.
	producer requests to redeem cotton	set to "No" and redemption request of producer is processed.
	entity that is not EAD request redemption	set to "No". This event indicates a dispute between merchants or an EAD error to be resolved before redemption is processed.
	entity that is EAD requests partial or full loan redemption	not changed and redemption request is processed.
"No"	merchant requests redemption of partial or all loan cotton	not changed and redemption request must be supported by submitting CCC-605.

--210.8 Processing CCR Transactions--**A COPS E-Mail Notification for Pending CCR**

COPS places the receipts requested for redemption using CCR in a pending status. Pending status prevents subsequent action on the receipts (including redemption at a County Office) until the loan is redeemed or the repayment request is cancelled.

A CCR invoice is created that contains the following information based on the merchant's request:

- repayment date
- repayment amount
- invoice amount
- invoice expiration date.

COPS will send an e-mail to the County Office that provided the loan to advise that CCR has been requested for the applicable loan numbers. **County Offices shall place the applicable loan folder in a pending status.**

COPS will send additional e-mails when the:

- CCR has been completed and the County Office can process the repayment in APSS
- invoice is cancelled.

***--B Invoices With Negative Repayment Amounts**

If CCR invoice contains a bale with a negative AWP bale value, COPS:

- defaults the negative AWP bale value to zero

Note: Net repayment value can be negative because of storage credit.

- calculates the invoice repayment amount as the sum of all AWP bale values greater than zero

Note: The repayment amount will **not be adjusted** for the negative repayment amount.

Example: Receipts 1 and 2 have an AWP bale value of \$200 each and a storage credit of \$10 each. The net repayment for these two bales is \$380 (\$400 - \$20). Receipt 3 has an AWP bale value of zero and a storage credit of \$10. Net repayment for this bale is -\$10 (\$0 - \$10). Repayment amount for the CCR invoice is \$380. Repayment amount is not reduced by the -\$10 for receipt 3.

Note: Before these modifications, CCR calculated the invoice repayment amount as \$370 (\$380 - \$10).--*

--210.8 Processing CCR Transactions (Continued)*B Invoices With Negative Repayment Amounts (Continued)**

- provides the merchant with the ability to accept an invoice if **all** bales on the invoice have a negative repayment value, thereby confirming the redemption request

Upon repayment or acceptance of a zero balance invoice, the CCR system will:

- release all bales, including those with negative repayment value, to the buyer
- generate the following COPS errors:
 - R121, “CCC is not current receipt holder for CCR loan transaction”, for bales with a positive repayment amount
 - R118, “CCR bale requires manual APSS redemption”, for bales with a negative repayment amount

Note: Errors will be removed when repayment has been recorded in APSS.

- remove bales with negative repayment values from county download files, which will contain only bales with positive repayment values
- create CCR County Bales for Manual Redemption Report for bales with negative repayment value that includes the following information:
 - invoice number
 - repayment date
 - storage credit date
 - AWP
 - merchant name and address
 - crop year
 - loan number
 - warehouse code/receipt number
- send e-mail notifications to County Offices that invoices with negative repayment bales require manual redemption.--*

--210.8 Processing CCR Transactions (Continued)--**C Downloading and Processing CCR Repayment File (Continued)**

When funds are wired and posted to COPS, receipts are released to EAD holder, and CCR repayment file is created that:

- contains:
 - repayment date
 - repayment amount
 - bales chosen for redemption
 - CCC-257 schedule number
- pre-fills all APSS repayment fields
- is downloaded and transferred to APSS using the cotton PC software.

To process CCR repayment, the County Office shall:

- download CCR repayment file according to COPS User Guide, Part 4.2
- transfer the repayment file to APSS according to paragraph 210.9
- liquidate the loan in APSS according to paragraph 210.10.

*--If an invoice includes bales with a repayment value less than zero, CCR repayment file will be modified to remove these negative value bales and contain only bales with a repayment value greater than zero. County Offices shall:

- download CCR repayment file according to COPS User Guide, Part 4.2
- transfer the repayment file to APSS according to paragraph 210.9
- record the repayment of bales with a positive repayment value in the normal manner in APSS according paragraph 210.10.

Note: Bales with a negative repayment value will remain outstanding.

Repayment of bales with negative repayment values must be processed as **separate** repayments in APSS. County Offices will receive email notifications of invoices with negative repayment bales, and shall record the repayment of these bales as follows:

- print the CCR County Bales for Manual Redemption Report according to subparagraph 210.8 D
- process the repayment in APSS:
 - as a manual repayment so that a prior repayment date can be entered--*

***--210.8 Processing CCR Transactions (Continued)**

C Downloading and Processing CCR Repayment File (Continued)

- as certificate redemption using **Option 2**, Commodity Certificate Repayment, on Screen PPC00000
- using CCR County Bales for Manual Redemption Report as the source document to complete applicable data fields

Note: Enter the storage credit date from report as the “Est. Receipt Release Date” on Screen PPC40200.

- issue check for storage credit to the redeeming merchant indicated on the report
- mail a copy of CCC-500 to the redeeming merchant along with the check for storage credit.--*

--210.8 Processing CCR Transactions (Continued)*D Accessing and Printing Report**

County Offices shall access and print the CCR County Bales for Manual Redemption Report according to the following table.



Step	Action	Result
1	On the COPS Home Page, select “Invoice Review” under the “Invoicing” tab.	Invoice Review Criteria Screen will be displayed.
2	On the Invoice Review Criteria Screen, do 1 of the following:	
	<ul style="list-style-type: none">from the “Invoice Type” drop-down box, select “Cotton Redemption Invoice” and CLICK “List”enter the invoice number in the invoice number data field.	<ul style="list-style-type: none">Invoice List Screen will be displayed with all invoices for the applicable county. Go to step 3.Cotton Redemption County Invoice Screen will be displayed. Go to step 4.
3	On the Invoice List Screen, select the invoice by clicking on the applicable line number.	The Cotton Redemption County Invoice Screen will be displayed.
4	IF... the invoice contains bales that require manual redemption	THEN... <ul style="list-style-type: none">the Cotton Redemption County Invoice Screen will display the message, “There are bales to be manually redeemed on this invoice”; click the “Bales for Manual Redemption” button to view the .pdf reportan additional button labeled “Bales for Manual Redemption”.
		IF...
		the button labeled “Bales for Manual Redemption” displays

--*

--210.8 Processing CCR Transactions (Continued)*D Accessing and Printing Report (Continued)**

The following is an example of the CCR County Bales for Manual Redemption report.

Note: Report may contain data for multiple loans.

CCR County Bales for Manual Redemption Tuesday, January 31, 2006 14:46:45 CST		
  United States Department of Agriculture Cotton Online Processing System		
Fiscal Year = 2006, Invoice Number = 000000044, State Code = 13, County Code = 031, Repayment Date = 01/24/2006, Storage Credit Date = 01/26/2006, AWP = 0.4358, Merchant Name = PF WILSON COTTON BUYERS, Address = PO BOX 4820 St Joseph, MO 64506		
Crop Year	Loan Number	Warehouse Code/Receipt Number
2005	999	125501/2000030
This report contains 1 bale.		

--*

210.9 Transferring CCR Repayment File to APSS**A Transfer Process**

County Offices shall transfer CCR repayment file that has been downloaded from COPS to APSS for processing according to the following table:

Step	Action	Result
1	Select Option 4, “Centralized Repayment Functions”, on Menu 001.	Menu 400 will be display.
2	Select Option 1, “Transfer Repayment Files to APSS”, on Menu 400.	Screen PWC40100 will be display.
3	On Screen PWC40100, select: <ul style="list-style-type: none"> • 1 or more files by clicking on the File Name. Click “Next Screen” • all files by clicking on “Select All” button. 	“ Sign On to AS400 ” box will be display.
4	Enter user’s AS400 user ID and password. Note: Use AS400 password if it differs from System 36 password.	The selected files will be transferred to the AS400. Menu 400 will be redisplayed.

--210.10 Processing CCR Repayments in APSS (Continued)*A Recording CCR Repayment (Continued)**

Step	Action	Results	
10	On Screen PPC42700, Enter “Y” or “N” to the question, “Do you wish to complete this Repayment?”	IF you...	THEN...
		answered “Y”	Screen PPC98000 will be displayed. The amount received will be pre-filled. PRESS “Enter”. Screen PCA97000 will be displayed.
		answered “N”	Menu PCA005 will be redisplayed.
11	On Screen PPC98000, enter the printer ID and number of copies to print forms. PRESS “Enter”.	CCC-500 will be printed. Screen PCE50010 will be displayed.	
12	On Screen PCE50010, Enter “Y” or “N” to the question, “Do you want to reprint this form?”	IF...	THEN...
		“Y” was entered	CCC-500 will be reprinted. Screen PCE50010 will be redisplayed. Repeat this step.
		“N” was entered	CCC-Cotton A-1 will be printed. Screen PCE50010 will be displayed.

210.10 Processing CCR Repayments in APSS (Continued)**A Recording CCR Repayment (Continued)**

Step	Action	Results
13	<p>Accounting – Cash Receipts procedure begins.</p> <p>Complete the accounting process according to 1-FI with the following:</p> <ul style="list-style-type: none"> • 1EFT for the Check/Item Number • total invoice amount as the amount of the remittance. <p>Note: If the invoice contains multiple loan repayments, ENTER “1EFT” for the Check/Item Number for each subsequent repayment. The balance of the total invoice amount will be used to repay each subsequent transaction.</p>	<p>After Accounting procedure is complete, Menu PCA005 will be redisplayed. Return to Step 1.</p> <p>CCC-257 must be prepared after all repayments on a single invoice have been recorded.</p> <p>Provide copy of CCC-500 to:</p> <ul style="list-style-type: none"> • contact producer <p>* * *</p> <ul style="list-style-type: none"> • warehouse where the loan collateral was stored.

210.11 Correcting COPS Errors (Continued)**C Reversing and Re-entering CCR Repayments in APSS**

It may be necessary to reverse a CCR repayment to correct a loan that contains COPS errors. Reversing and re-entering CCR repayments cannot be done in the same manner as regular cash or certificate repayments because of certain conditions that exist for deposits with an alpha-numeric deposit number.

Important: County Offices **shall not delete** a 1EFT remittance from an alpha-numeric schedule.

County Offices shall follow instructions in this paragraph and the following table if a CCR repayment is reversed, or cannot be entered because a loan must be corrected before recording the CCR repayment.

IF CCC-257...	AND the CCR repayment...	THEN...
has not been prepared	<ul style="list-style-type: none"> was recorded on CCC-257, then reversed before the schedule was prepared cannot be entered because a loan must be corrected before recording the repayment 	<ul style="list-style-type: none"> in cash receipts, modify 1EFT remittance record down to equal the recorded repayments prepare schedule set the "Other Agency Claim" flag for the contact producer so that the REFREP check can be made to CCC modify the 1EFT remittance record back up to the original wire amount in cash receipts, record the REFREP program code on the already prepared alpha-numeric CCR schedule <p>Note: Tie the REFREP program code to the existing 1EFT remittance by using 1EFT as the check number rather than the CCC-184 pre-printed check number.</p> <ul style="list-style-type: none"> in check writing, issue a REFREP check to CCC for amount of repayment not recorded on CCC-257, referencing the CCR alpha-numeric deposit number correct the loan and re-enter the repayment in APSS using REFREP check: <ul style="list-style-type: none"> as a manual transaction to allow the entry of a repayment date before the current date as either a regular cash repayment or certificate exchange using the due date as the repayment date using the due date plus 2 days for the receipt release date on a current day CCC-257 in Accounting using the REFREP check as the remittance deposit the REFREP check in the normal manner.

210.11 Correcting COPS Errors (Continued)

C Reversing and Re-entering CCR Repayments in APSS (Continued)

IF CCC-257...	AND the CCR repayment...	THEN...
has been prepared	needs to be reversed because of an error in the loan, or loan repayment	<ul style="list-style-type: none"> • reverse, or correct off, the repayment in APSS • set the “Other Agency Claim” flag for the contact producer so that a REFREP check can be made to CCC • in cash receipts, record the REFREP program code on the already prepared alpha-numeric CCR schedule. <p>Note: Tie the REFREP program code to the existing 1 EFT remittance by using 1EFT as the check number rather than the CCC-184 pre-printed check number.</p> <ul style="list-style-type: none"> • in check writing, issue a REFREP check to CCC for the amount of the reversed or corrected off repayment, referencing the CCR alpha-numeric deposit number • correct loan, if applicable, and re-enter the repayment in APSS using REFREP check: <ul style="list-style-type: none"> • as a manual transaction to allow the entry of a repayment date before the current date • as either a regular cash repayment or certificate exchange • using the CCR invoice due date as the repayment date • using the CCR invoice due date plus 2 calendar days for the receipt release date • on a current day CCC-257 in Accounting using the REFREP check as the remittance • deposit REFREP check in the normal manner.

214 Collecting Charges Due on Forfeited Loans

A Determining Charges Due

[7 CFR 1427.11(f)] The payment of charges under warehouse loans, forfeitures, and reconcentrations is summarized in Exhibit 18. When loans are forfeited, and after warehouse charges are paid by KCCO, KCCO will determine the total of the following 2 amounts that will be billed to the producer:

- warehouse storage charges that accrued **before** the date all documents required from the producer for the loan were provided to the County Office
- unpaid warehouse receiving charges including any charges for new ties.

The date documents provided (enter on CCC Cotton A-5, item 8) is the **later** of the following dates that CCC received any of the following documents required for the loan:

- the date of receipt of a signed CCC Cotton A-5 and all other required documents listed in subparagraph 181 B
- the date CCC was made holder of EWR's as specified on the EWR Validation Review Report

Note: The date CCC was made holder of EWR is not necessarily the same date as the date that a County Office downloaded EWR's.

- the date paper warehouse receipts were delivered to the County Office.

B Collecting Charges Due From Producer

[7 CFR 1427.13(e)] When the producer collection invoice is posted to COPS, the County Office shall:

- follow subparagraph 215 A to access the invoice

214 Collecting Charges Due on Forfeited Loans (Continued)

B Collecting Charges Due From Producer (Continued)

- follow subparagraph 215 B to print the invoice

Important: COPS will generate an invoice for charges of \$9.99 or less, but will automatically write off the charges. County Offices shall **not** take collective action for these invoices. Invoices of \$9.99 or less may be accessed and printed in COPS under Invoice Review by selecting:

- Invoice Type of “Producer Collection Invoice”
 - Status of “Writer-off Producer Collection \$9.99 or Less”.
- determine whether the producer collection invoice is for the correct producer and loan
 - *--if statement of charges is incorrect, contact ADC-PSCAO-CLG to request a corrected--* statement of charges by:
 - telephone at 816-926-2638
 - e-mail at janet.delancey@kcc.usda.gov
 - if statement of charges is correct, establish receivables in CRS according to 67-FI, with:
 - **all** producers who signed CCC-Cotton A as debtor or co-debtors
 - discovery code of “10”
 - reason code of “300”
 - program code of “XXUPCNFORF”

Note: “XX” is the last 2 digits of the crop year.

- send producer CRS-generated initial notification letter
- immediately update the producer collection invoice with the receivable information according to subparagraph 215 C
- notate the receivable number on the producer collection invoice and file a copy in the producer’s loan folder.

262 LDP Options Relative to Harvest and Ginning

A LDP Request Options

Cotton LDP's may be disbursed, in all cases, only on eligible, ginned cotton upon presentation of production evidence in the form of a warehouse receipt or bale list.

*--Applications for LDP's are submitted using CCC-633 EZ for any of the following options.

Type	Rate used for LDP is rate effective on...	BI status at time of application...
	LDP for cotton in which producer has BI at the time of the LDP application is:	
Irrevocable module lock-in.	date of application.	producer has BI.
Gin-direct.	date of ginning.	
Irrevocable post-ginning.	date of application.	
Lost BI before application.	the date BI was lost.	BI lost.

- **Irrevocable module lock-in.** For harvested cotton in modules, before ginning, a--* producer may submit CCC-633 EZ, page 3 * * * to request lock-in of AWP rate to be used for LDP calculation. AWP/LDP rate is that which **is effective on the date an accurately completed request is submitted**. The cotton is identified by a gin-supplied trailer or module number. After the cotton is ginned, the producer provides bale information that corresponds to the cotton identified by the trailer or module number. These requests for lock-in of AWP and LDP cannot be revised or canceled. See subparagraph 275 E.
- **Gin-direct.** A producer may request gin-direct LDP's using CCC-633 EZ, page 3 * * *. LDP rate provided is the rate payment rate effective on the date the cotton is ginned according to paragraph 274. These requests are allowed to be revised or terminated under certain circumstances. See subparagraphs 274 F and G.
- ***--Irrevocable post-ginning.** On cotton that has been ginned, a producer may request--* LDP using CCC 633 EZ, page 3 * * * supported by a bale list. LDP rate provided is the rate effective on the date that an accurately completed application is submitted. These LDP requests, once submitted, cannot be revised or canceled. See subparagraph 275 D.
- **Lost BI.** If BI has been lost before the LDP is requested, and the producer had filed CCC-633 EZ, page 1 before the date BI was lost, then the producer may request LDP using CCC-633 EZ, page 3. For these LDP's, the only payment rate * * * provided is the rate applicable on the date that BI was lost. The producer must provide acceptable documentation of the date BI was lost on the applicable quantity.

262 LDP Options Relative to Harvest and Ginning (Continued)**A LDP Request Options (Continued)**

Notes: LDP applications submitted under any of these options may be considered complete if received without classification information. In these cases, the disbursement is to be made after classification information is received.

Cotton can be subject to only 1 loan or 1 LDP application at any moment. Benefits, whether a loan or LDP, are provided only once on any quantity of cotton. No concurrent applications for the same cotton are ever allowed.

263 Availability Dates * * ***A Availability Dates**

[7 CFR 1427.5(a)] Cotton LDP's are available by executing an LDP application from the date loan rates are announced through May 31 after the calendar year in which the crop is planted. This application deadline applies:

- to all types of LDP's
- regardless if applicant has, or has lost, BI at the time of application.

Reminder: The disbursement date shall be no later than 30 calendar days after the final date of availability. When the final availability date falls on a nonworkday, the final date shall be extended to the next workday.

B Accepting LDP Documents

--If CCC-633 EZ was signed by the producer more than 15 calendar days before delivery or-- mailing (postmark date) to the County Office, the County Office:

- shall not accept the application if presented by a Cotton Clerk
- may accept the application if presented by a producer.

Note: A patron postage meter date stamp is not a post mark.

C Effective Times for AWP and CCA

LDP rates are based on the same announced AWP's and CCA's, and the same effective times of these prices, as are applicable to loan redemptions. See subparagraphs 22 A through D for the effective times of announced prices.

267 LDP's Based on Locked-in Rate

A Policy

Applications for LDP's based on a locked-in rate are available only for cotton before it has been ginned. Such applications have the following unique requirements:

- applications are irrevocable, so they cannot be cancelled, amended, or withdrawn
- applicants must agree to identify the unginned cotton for which the locked-in LDP rate is requested by submitting a module (or other storage unit) number for each individual unit of storage
- after such cotton is ginned, the bales produced from each locked-in unit must be identified to CCC by the corresponding module number.

Notes: Any application for which production evidence is not provided is a violation subject to liquidated damages.

Modules are the largest storage unit eligible for identification and must be identified and distinguished from one another by discrete numbers.

LDP's under this option shall be provided only for the bales produced from the unginned cotton for which the locked rate is provided up to a **maximum of 20 bales per module** (or the maximum established by STC). Bales exceeding this maximum may receive the locked-in rate only if a higher maximum is successfully appealed to STC.

B Applications for Module Lock-In LDP

--Applicants apply for a module lock-in LDP using/CCC-633 EZ, page 3 according to instructions provided.--

267 LDP's Based on Locked-in Rate (Continued)**C Processing LDP for Excessive Bales**

Bales that are submitted for LDP based on a locked-in rate, but exceed the maximum number approved for payment, are referred to as excessive bales and shall receive LDP based on the following process.

Bales exceeding the approved maximum level are to be paid at:

- the rate prevailing on the date the bale information was submitted
- the locked-in rate for excessive bales if approved by STC.

County Offices shall:

- identify for producers the excessive bales submitted under the request for a locked-in rate
- notify producer of option to appeal to STC the payment rate on the excessive bales
- if the excessive bales are:
 - *--successfully appealed to STC for the locked-in rate, use the original CCC-633 EZ as the basis for providing LDP based on the locked-in rate
 - not appealed to STC for the locked-in rate, or appealed but denied the locked-in rate under the appeal, have producer submit a separate CCC-633 EZ and provide LDP--* based on the payment rate effective on the date the production evidence containing the excessive bales was submitted.

Section 2 LDP Processing and Issuance

271 Before Processing LDP**A Eligibility**

The eligibility requirement for the producer and cotton shall be determined according to Part 2 before processing LDP's.

***--B Required Production Evidence**

For an LDP request to be processed, the required production evidence is, for:

- an LDP based on a module lock-in, **both** the module numbers submitted at the time of an LDP is requested for an irrevocable module lock-in, **and** a list of bales corresponding to the module
- gin-direct LDP's and LDP's requested after ginning, whether the rate is based on the date of request or date beneficial interest was lost, a list of bales.--*

C Divided or Undivided Shares

If the bales are divided among producers, give each producer on the farm an opportunity to choose whether to obtain a loan or LDP.

Note: These instructions regarding divided or undivided bales also apply when a producer requests lock-in of the AWP rate to be used for the LDP calculation. In such cases, modules or any other unit of unginned cotton must be divided if a joint LDP is not being requested.

D No Deferred Payments

LDP's cannot be deferred or delayed at any time. All payments must be made as soon as possible after the date of request.

E Determining Date Documents Received

When a gin provides a County Office preprocessed bale data by e-mail, CD or diskette, for purposes of determining the "date documents received" for processing the LDP application, the date of receipt of the data:

- is the date the electronic data were received
- is not the date the producer signed and dated a paper copy of the bale data.

272 (Withdrawn--Amend. 28)

274 Gin-Direct LDP's

A Applicability

[7 CFR 1427.23] Producers who want to receive LDP's based on the date ginned may file CCC-633 EZ, page 3 * * *

- on or before the date of ginning
- for 1 or more farm's expected production
- for all or a portion of the expected production.

B Time of Executing Gin-Direct LDP Request

CCC-633 EZ, page 3 * * * must be submitted on or before the date of ginning.

***--Notes:** An application may be entered into after ginning begins; however, any cotton ginned before the date of the application is not covered.

See paragraph 275.5 for preparing CCC-633 EZ, page 3.--*

274 Gin-Direct LDP's (Continued)

C Quantity Included on Application

The entire quantity included on the application is eligible for the LDP rate, including a zero rate that is in effect **on** the date of ginning.

Note: If the LDP rate on the date of ginning is zero, the producer will not receive LDP and will not be eligible for a loan on that quantity shown on the application.

Example: Producer submits * * * CCC-633 EZ, page 3 * * *for all the production of cotton from all farms. The producer produced 500 bales of cotton on all farms. Of the 500 bales, 50 bales were ginned on a date when LDP was equal to zero. These 50 bales are not eligible for LDP or loan.

D Specifying Delivery Locations

Producers who want gin-direct LDP provisions to be applicable for production delivered to a specific location or buyer may designate that quantity on the application.

Note: Because the cotton LDP rate is based on the date of ginning, cotton producers may designate only the cotton delivered directly from the gin to a specific location or buyer. The date of ginning will continue to be used to determine the LDP rate for the designated quantity.

Example: If the producer wants all production from Farm 57 that will be delivered to Bob River Mills, Inc. to be the only production from Farm 57 covered by the gin-direct application, the producer should enter the following onto the application in *--CCC-633 EZ, page 3, item 39.--*

Farm Number	Production Units
57	All to Bob River Mills, Inc.
40	All
37	300 Bales

Notes: All production from Farm 57 not delivered to Bob River Mills, Inc. is eligible for a loan or LDP if all eligibility requirements are met.

All the production from Farm 40 would be covered by the gin-direct LDP request.

300 bales from Farm 37 would be covered.

274 Gin-Direct LDP's (Continued)

J Completing CCC-633 EZ, Page 3 for Gin-Direct LDP

Effective for 2005 and subsequent crop upland cotton, producers may request gin-direct LDP's using CCC-633 EZ, page 3.

For gin-direct LDP requests, complete CCC-633 EZ, page 3 according to the following table.

Item	Instruction
33	Enter the producer's name and address.
34	Enter the last 4 digits of the applicant's SSN or tax ID.
35	Enter the applicant's telephone/cell number.
36	Enter the crop year of the commodity for which the LDP is requested.
37	Applicant answers question by checking (✓) either the "Yes" or "No" box. Note: If the applicant answers "Yes", then the applicant uses the remarks section of the continuation page to explain the amount owed, the Federal agency owed, and terms of any repayment agreement.
38	Applicant enters initials in box to the left of "Gin-Direct".
39	Applicant may request LDP's for 1 or more farms. For each individual farm an LDP is requested for some or all production, the applicant must enter the farm number and, in the box adjacent to the farm number, must enter either "All" to indicate that LDP is requested for all bales, or must enter the exact number of bales from the farm to which the LDP request applies.
40-42	This part is not applicable to gin-direct LDP requests.
43-45	Each producer with a share in the production on the application submitted must enter: <ul style="list-style-type: none"> • their signature in Item 43 • their percent share of the quantity in Item 44 • the date of signature in Item 45.
46-49	Item 46: Enter LDP number. Item 47: Enter file sequence number of all applicable bale files provided as production evidence. Item 48: Enter date the bale list or data file was received. Item 49: Enter number of bales represented by each bale list or data file.

274 Gin-Direct LDP's (Continued)

J Completing CCC-633 EZ, Page 3 for Gin-Direct LDP (Continued)

Item	Instruction
50-56	<p>Item 50: CCC Representative enters signature.</p> <p>Item 51: Enter title of CCC Representative.</p> <p>Item 52: Check (✓) box indicating approval or disapproval.</p> <p>Item 53: See subparagraph 274 B to establish the date a completed application was submitted.</p> <p>Note: Applications for gin-direct must be received on or before the date of ginning, and not later than May 31.</p> <p>Item 54: AWP applicable to gin-direct LDP's is the date of ginning.</p> <p>Item 55: Enter the name/address of the FSA County Office or LSA.</p> <p>Item 56: May be used to amend gin-direct LDP's or to explain "Yes" answer to Item 37.</p>

K Example CCC-633 EZ, Page 3

Following is an example of CCC-633 EZ, page 3 that may be used for requesting upland cotton LDP's of any type.

*--

CCC-633 EZ (02-14-06)					
PART H - REQUEST FOR COTTON LDP					
33. Contact Name and Address of Producer (Include Zip Code) (Please Print)		34. ID Number (Last 4 Digits)		35. Telephone/Cell Number (Include Area Code)	36. Crop Year
					37. Are you or any co-applicant delinquent on any federal non-tax debt? If "YES", explain in Item 56. <input type="checkbox"/> YES <input type="checkbox"/> NO
38. Producer Initials to Select Type of Application	Type of LDP Requested	Must be Requested	Must have Beneficial Interest at Time of LDP Application?	The LDP Rate will be the rate in effect on the:	39. Quantity: (Use Part K for file sequence number(s))
	Irrevocable Module Lock-In	After Harvest, Before Ginning	YES	Date an Accurately Completed Request is Submitted.	Identified by gin as being produced from the module(s) listed in Part I and identified by bale list or file sequence number(s).
	Irrevocable Post-Ginning	After Ginning	YES	Date an Accurately Completed Request is Submitted.	Identified by bale list or file sequence number(s).
	Gin-Direct	Before Date of Ginning	YES	Date of Ginning	GIN DIRECT ONLY: For each farm number producer enters number of bales or "ALL" to be identified by bale list or file sequence number.
					A. FARM NO. B. NO. BALES A. FARM NO. B. NO. BALES
	Lost Beneficial Interest	After Ginning	NO	Date Beneficial Interest Lost	Identified by Bale List or File Sequence Number(s)
PART I - MODULE IDENTIFICATION OF SEED COTTON (Completed for Module Lock-In LDP Request)					
40. Gin Code:				41. Mode of Storage:	
42. Gin's Module/Trailer Number					
PART J - PRODUCER CERTIFICATION (For additional signatures, complete CCC-633 EZ Continuation, Part J)					
I certify all information entered on this form is true and correct.					
43. Signature of Producer(s)		44. % Share	45. Date (MM-DD-YYYY)	46. Signature of Producer(s)	
47. Signature of Producer(s)		48. % Share	49. Date (MM-DD-YYYY)	50. Signature of Producer(s)	
PART K - INFORMATION FOR LDP REQUEST (Complete Upon Receipt of Bale Data Files) (FOR CCC USE ONLY)					
46. LDP Number		47. File Sequence Number(s)		48. Date File(s) Received (MM-DD-YYYY)	
				49. Bale Count	
PART L - CCC APPROVAL (FOR CCC USE ONLY)					
50A. Signature of CCC Representative		50B. Title of CCC Representative		51. Date Submitted (MM-DD-YYYY)	
				52. Name and Address of FSA County Office or LSA	
51. Action: <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved		52. Date of Signature by CCC Representative (MM-DD-YYYY)		53. AWP on Applicable Date (MM-DD-YYYY)	
				54. Additional Information	

Page 3

*--

275 Module Lock-In and Post-Ginning LDP

A Request for Payment

Requests for * * * module lock-in or post-ginning LDP's may be submitted on * * * CCC-633 EZ, page 3 * * *. These LDP requests must be made:

- by all producers having an interest in the cotton
- before BI in the cotton is lost
- on or before the final loan availability date.

One payment may be made for more than 1 farm, or multiple payments may be made for 1 farm.

By submitting any LDP request, producers certify that production:

- is eligible for loan
- has not been previously used for loan or LDP
- will not be used for a subsequent loan or LDP.

Requests for module lock-in or post-ginning LDP's, once submitted, cannot be canceled or revised. See policy in subparagraph 267.

B Approval

The LDP application shall be approved by CCC on the day that either application form, signed and dated by all applicable producers, and the accompanying production evidence are **both** provided. If the application and production evidence are provided on separate days, the approval date is the later date.

When an application is to request AWP lock-in for modules, the LDP application is not approved for payment until the corresponding bales are identified. Interest is not payable for the period between AWP lock-in and submission of bale information.

Exception: CCC may approve an application for a module lock-in or post-ginning LDP before classing data is presented if:

- classing data is not yet available

Note: Producer is required to submit classing data as soon as it is available from AMS.

- acceptable gin tag or warehouse receipts are submitted
- all producers sharing in the cotton have signed the application.

Note: If BI is questioned, follow paragraphs 102 and 275.5.

275 Module Lock-In and Post-Ginning LDP (Continued)

C Returning Warehouse Receipts

If acceptable warehouse receipts are presented as production evidence and the producer requests that the receipts be returned the same day, the County Office shall only return warehouse receipts on the same day if all requirements are met, except providing classing data, and all of the following occur:

- the application is approved
- either:
 - a list of the warehouse receipts showing the same information as the receipts are presented with the warehouse receipts

Note: County Office shall verify that the information on the list matches the negotiable warehouse receipts.

- photocopies of the warehouse receipts can be obtained.

Note: If the photocopies are not made by the County Office, County Office shall verify that the photocopies represent the negotiable warehouse receipts presented.

Exception: If CCC is the holder of EWR, e-LDP must **not** be processed **before** releasing the receipt. This does **not** apply LDP's processed in APSS. This requirement will be discontinued when software can be modified.

* * *

275 Module Lock-In and Post-Ginning LDP (Continued)

D Policy for Module Lock-In LDP

Use CCC-633 EZ, page 3 * * * to process LDP applications when the following 3 conditions are met:

- producers request to “lock-in” AWP
- producer’s eligible cotton has been harvested
- the cotton has not been ginned.

Such requests lock-in the LDP payment rate for payments that will be disbursed after the cotton is ginned and bale information is provided. Procedures in subparagraph A apply. Lock-in requests will expire if bale information is not provided before the final date of availability (May 31). See paragraph 162.

Notes: Requests for LDP’s based on a locked-in rate, once submitted, may not be canceled or revised by the producer. However, cotton for which the lock-in is provided, but LDP is not provided because of payment limitation, is eligible to be pledged for loan. **Any initial AWP lock-in on CCC-633 EZ, page 3 * * * does not apply to these loans.**

If the modules or trailers:

- are divided among producers, give each producer on the farm an opportunity to choose to obtain a LDP
- are **not** divided, a joint LDP must be requested.

Interest is not payable for the period between the AWP lock-in and the presentation of production evidence (the list of bales corresponding to the module for which lock-in is provided).

275 Module Lock-in and Post Ginning LDP (Continued)

E Using CCC-633 EZ for Module lock-in and Post Ginning LDP

For module lock-in and post-ginning LDP requests, complete CCC-633 EZ, page 3 according to the following table.

Item	Instruction
33	Enter the producer's name and address.
34	Enter the last 4 digits of the applicant's SSN or tax ID.
35	Enter the applicant's telephone/cell number.
36	Enter the crop year of the commodity for which the LDP is requested.
37	Applicant answers question by checking (✓) either the "Yes" or "No" box. Note: If the applicant answers "Yes", then the applicant uses the remarks section of the continuation page to explain the amount owed, the Federal agency owed, and terms of any repayment agreement.
38	Applicant enters initials in box to the left of either "Irrevocable Module Lock-in" or "Irrevocable Post-Ginning".
39	This item does not apply to either module lock-in or post-ginning LDP requests.
40-42	If the request is for a module lock-in LDP, the applicant completes Part I as follows. Item 40. Enter the gin code of the gin that supplied the module numbers and that will gin the cotton. *--Item 41. Enter the module location at the farm or gin so the module can be located if selected for spot-check. Item 42. Enter all gin-assigned numbers that are affixed to the storage unit to identify it with this LDP request. If additional space is needed, attach a separate list that has been initialed and dated by the producer.--* Note: This part is not applicable to post-ginning LDP requests.
43-45	Each producer with a share in the production on the application submitted must enter: <ul style="list-style-type: none"> • their signature in Item 43 • their percent share of the quantity in Item 44 • the date of signature in Item 45.

--*

275 Module Lock-in and Post Ginning LDP (Continued)

E Using CCC-633 EZ for Module lock-in and Post Ginning LDP (Continued)

Item	Instruction
46-49	<p>Item 46: Enter the LDP number</p> <p>Item 47: Enter the file sequence number of all applicable bale files provided as production evidence</p> <p>Item 48: Enter the date the bale list or data file was received.</p> <p>Item 49: Enter the number of bales represented by each bale list or data file.</p>
50-56	<p>Item 50: CCC Representative enters signature.</p> <p>Item 51: Enter title of CCC Representative.</p> <p>Item 52: Check (✓) box indicating approval or disapproval.</p> <p>Item 53: See subparagraph 274 B to establish the date a completed application was submitted.</p> <p>Note: All LDP requests must be received before May 31.</p> <p>Item 54: Enter the applicable AWP on the date the request was submitted, for both the module lock-in and post-ginning LDP requests.</p> <p>Item 55: Enter the name/address of the FSA County Office or LSA.</p> <p>Item 56: May be used to amend gin-direct LDP's or to explain "Yes" answer to Item 37.</p>

F Example CCC-633 EZ, Page 3

An example of CCC-633 EZ, page 3 is provided in subparagraph 274 N.

275 Module Lock-In and Post-Ginning LDP (Continued)***--G Distributing CCC-633 EZ**

Distribute the approved CCC-633 EZ as follows:--*

- file original in LDP folder with CCC-Cotton AA-1
- provide 1 copy to each signing producer.

H Conducting Module Spotchecks Using CCC-Cotton AA-2

County Offices shall:

- conduct spotchecks:
 - on no less than 2.5 percent of the requests for a lock-in of the AWP and LDP rates on upland seed cotton
- **Note:** The 2.5 percent is based on the number of requests and not the number of modules or storage units.
- each month based on the lock-in requests received that month
- record the spotcheck results using CCC-Cotton AA-2 according to the following table.

Item	Instructions
1	Enter County Office name.
2	Enter State and county codes.
3	Enter crop year.
4	Enter farm number * * *.
5	Enter gin-assigned number of the storage module or trailer selected for spotcheck.
6	Enter date of AWP lock-in from the corresponding CCC-Cotton AA.
7	Enter condition of the observed storage unit by entering either of the following: <ul style="list-style-type: none"> • a checkmark (✓) confirming the unginned cotton location at either farm or gin • the date of ginning of the module or trailer of cotton.
8 A-C	Signature and title of person performing the spotcheck and date.

I Completing CCC-Cotton AA-2

Complete CCC-Cotton AA-2 according to this table.

[illegible]

275.5 Lost BI LDP**A Policy**

Effective for 2005 and subsequent-crop upland cotton, BI policy allows producers to apply for LDP benefits after BI is lost if the producer submitted CCC-633 EZ, page 1 **before** BI was lost on the cotton.

Note: This policy does not guarantee or provide LDP eligibility in all circumstances where BI was lost. CCC-633 EZ, page 1 must be submitted **before** BI was lost on a quantity.

LDP's requested for cotton for which BI has been lost shall be:

- submitted only on CCC-633 EZ, page 3
- calculated based on the rate effective on the date BI was lost
- supported by acceptable:
 - production evidence as used for other LDP applications, including:
 - bale gin code/gin tag
 - bale weight
 - evidence of the date BI was lost.

B Instructions of Lost BI LDP Application

Producers submit applications for LDP's for cotton on which BI has been lost using **only** of CCC-633 EZ, page 3.

Complete CCC-633 EZ, page 3 for a lost BI LDP according to the following table.

Item	Instruction
33	Enter the producer's name and address.
34	Enter the last 4 digits of the applicant's SSN or tax ID.
35	Enter the applicant's telephone/cell number.
36	Enter the crop year of the commodity for which the LDP is requested.
37	Applicant answers question by entering a check (√) in either the "Yes" or "No" box. Note: If the applicant answers "Yes", then the applicant uses Item 56 to explain the amount owed, the Federal agency owed, and terms of any repayment agreement.

275.5 Lost BI LDP (Continued)**B Instructions of Lost BI LDP Application (Continued)**

Item	Instruction
38	Applicant enters initials in box to the left of “Lost Beneficial Interest”.
39	This item is not applicable to lost BI LDP requests.
40-42	This part is not applicable to lost BI LDP requests.
43-45	Each producer with a share in the production on the application submitted must enter: <ul style="list-style-type: none"> • their signature in Item 43 • their percent share of the quantity in Item 44 • the date of signature in Item 45.
46-49	Item 46: Enter LDP number. Item 47: Enter file sequence number of all applicable bale files provided as production evidence. Item 48: Enter date the bale list or data file was received. Item 49: Enter number of bales represented by each bale list or data file.
50-56	Item 50: CCC Representative enters signature. Item 51: Enter title of CCC Representative. Item 52: Check (✓) box indicating approval or disapproval. Item 53: See subparagraph 274 B to establish the date a completed application was submitted. Note: All LDP requests must be received before May 31 . Item 54: Enter the applicable AWP for the date BI was lost, as documented by sales invoices or other acceptable evidence. Item 55: Enter the name/address of the FSA County Office or LSA. Item 56: May be used to amend gin-direct LDP’s or to explain “Yes” answer to Item 37.

C Example CCC-633 EZ, Page 3

An example of CCC-633 EZ, page 3 is provided in subparagraph 274 N.

276 Regular LDP Processing in APSS (Continued)

B APSS Procedure (Continued)

Step	Action	Result	
41	On Screen PGA17005, ENTER “Y” or “N” to the question, “Do you wish to complete this process?”	IF...	THEN...
		“Y” was entered	Screen PCA97000 will be displayed. Go to step 42.
		“N” was entered	Screen PGA74005 will be redisplayed. Return to step 38.
42	On Screen PCA97000: <ul style="list-style-type: none"> enter the printer ID to print forms and reports PRESS “Enter”. 	CCC-Cotton AA-1 will be printed and Screen PCE75010 will be displayed.	
43	On Screen PCE75010, ENTER “Y” or “N” to the question, “Do you want to reprint this form?”	IF...	THEN...
		“Y” was entered	<ul style="list-style-type: none"> CCC-Cotton AA-1 will be reprinted Screen PCE75010 will be redisplayed. Repeat this step.
		“N” was entered, and “N” was entered in step 39	<ul style="list-style-type: none"> Market Gain TSR will be printed Screen PCE83010 will be displayed. Go to step 44.
		“N” was entered, and “Y” was entered in step 39	Screen ABK10001 will be displayed. Go to step 45.
44	On Screen PCE83010, ENTER “Y” or “N” to the question, “Do you want to reprint this form?”	IF...	THEN...
		“Y” was entered	<ul style="list-style-type: none"> Market Gain TSR will be reprinted Screen PCE83010 will be redisplayed. Repeat this step.
		“N” was entered	Screen ABK10001 will be displayed. Go to step 45.
45	Accounting - Checkwriting procedure begins.	Menu PCA005 will be redisplayed. Return to step 1.	

277 Preparing Manual LDP's**A When to Prepare Manual LDP's**

If APSS is not operating and it is not expected to be operating for at least 4 workdays from the time all required production evidence is submitted by the producer for LDP, the County Office shall prepare LDP manually, only at the producer's request.

B When Not to Manually Prepare LDP

If APSS is operating, or is expected to be operating within 4 workdays of the day the producer presents the warehouse receipts, do not manually prepare LDP.

C Action Taken to Prepare and Make Manual LDP

County Offices shall:

- determine the eligibility of the producer and cotton
- ~~*--complete CCC-633 EZ and CCC-Cotton AA-1 according to paragraphs 275 and 278--*~~
respectively
- for each bale, calculate the:
 - LDP rate according to subparagraph E
 - gross LDP amount according to subparagraph F
 - research and promotion fee according to subparagraph G
 - total payment amount according to subparagraph H
- follow subparagraph I to prepare CCC-184's
- immediately, when APSS is operating, enter the manual LDP data according to paragraph 279.

278 Using CCC-Cotton AA-1

A Description

CCC-Cotton AA-1 is a computer-generated form printed during the APSS LDP-making procedure. A blank CCC-Cotton AA-1 may be printed for preparing a manual LDP.

Note: Keep an adequate supply of blank CCC-Cotton AA-1's on hand for preparing manual LDP's when the computer is not operating.

B Completing CCC-Cotton AA-1

Follow these instructions to complete CCC-Cotton AA-1 for manually prepared LDP's.

Item	Instructions
1	Enter State and county codes and farm numbers where produced.
2	Enter name and address of contact producer from County Office records.
3	Enter warehouse code, if applicable. Note: Cotton warehoused at different warehouses must be processed as separate LDP's.
4	Enter gin code. Note: Cotton ginned at different gins must be processed as separate LDP's.
5	Enter the following: <ul style="list-style-type: none"> • LDP number assigned from the 90,000 series • applicable crop year • preparation code • number of bales • total LDP quantity; that is, the total net pounds shown on the warehouse receipt or gin tags.

278 Using CCC-Cotton AA-1 (Continued)

B Completing CCC-Cotton AA-1 (Continued)

Item	Instructions
6	Enter the: <ul style="list-style-type: none"> gross LDP amount that was calculated according to subparagraph 277 F date CCC-184 was prepared according to subparagraph 277 I.
7	Enter the: <ul style="list-style-type: none"> research and promotion fee that was calculated according to subparagraph 277 G total payment amount that was calculated according to subparagraph 277 H.
8	Enter the number of bales for which coarse count is: <ul style="list-style-type: none"> not applicable applicable.
14	Enter the coarse count applicable the day CCC-Cotton AA was approved, if applicable.
15	Enter the upland cotton NALR.
16	*--Enter AWP from CCC-633 EZ, item 54. If coarse count is applicable, subtract--* the coarse count in item 14 from AWP.
17	Enter the applicable LDP rate according to subparagraph 277 E.
18	Enter the net weight from the applicable warehouse receipt or gin tag list.
19	Enter the gross LDP amount for bales: <ul style="list-style-type: none"> without coarse count with coarse count.

C Distribution

Distribute CCC-Cotton AA-1 as follows:

- file original in the LDP folder
- give 1 copy to the contact producer.

280 Preprocessed Bale Data

A Overview

Beginning with the 2005 crop year, all LDP's/eLDP's will be based on data stored in COPS. The use of manual data entry and the practice of copying bale data files directly into APSS *--will only be allowed by using a system password issued by the State Office. This will:--*

- require LDP data that will be entered in APSS to be downloaded using the cotton PC software

Note: eLDP bales are downloaded during the eLDP process and do not have to be downloaded using the cotton PC software.

- support the validation of duplicate benefits and data errors before the LDP/eLDP is disbursed.

Because each bale is identified by a unique PBI number, LDP's/eLDP's must be formatted using the "extended" format as provided in Exhibit 13.

Note: Warehouse code and bale weights are provided in the "extended" format.

Although not required, EWR's will be used for LDP's/eLDP's when the data is available in COPS.

B Data Received on Diskette or E-Mail

Preprocessed data can be accepted by diskette or e-mail. If bale data is submitted electronically, the **producer must sign and date a paper copy** of the bale information to ensure that the electronic list corresponds to the producer's loan request. County Offices shall print and retain in the loan folder these listings and process the LDP using the table in paragraph 331.

See paragraph 330 to process cotton bale data received electronically. Any diskette received does not need to be retained; the signed, paper copy is sufficient record.

280 Preprocessed Bale Data (Continued)**C Determining Date Documents Received**

Subparagraph 181 B lists numerous documents that, in addition to a loan or LDP request, must be received to establish the “date documents received” in loan/LDP software. The “date documents received” is the date the last of the required documents was received.

One document that must be provided is a list of the bales that may be:

- a paper list
- an electronic pre-processed bale file.

When either a loan or LDP application is supported by an electronically-submitted file of the bales, before the loan or LDP is disbursed, the applicant must initial a printout of the bale list. For loans, this can be CCC-Cotton A-1. This step ensures that CCC is acting upon a request that has been validated by the producer so that benefits are not mistakenly provided based on an erroneous bale list.

If the date the bale list, however submitted, is a determining factor for establishing the “date documents received”, then:

- use the date the bale list, whether paper or electronic, was received
- do not use the date the producer signed and dated a paper version of an electronic bale list.

281 Processing LDP’s Through Cotton Warehouse Receipt Process**A Processing References**

County Offices shall process LDP’s through the cotton warehouse receipt process according to the following table.

IF data is for...	THEN follow instructions in paragraph...
LDP’s * * * provided by:	
• preprocessed diskette	330
• e-mail	331
• paper listing	332.
* * *	* * *
LDP’s based on paper receipts	332.

* * *

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None.

Forms

This table lists all forms that are referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		181, 237
CCC-6 <u>1/</u>	CCC Commodity Certificate		201
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents		181, 223.7
CCC-39	Request for Issuance of Duplicate Warehouse Receipt(s)	47	
CCC-184	CCC Check		Text
CCC-257	Schedule of Deposit		201, 201.5, 210.8, 210.11, 291
CCC-258	Wire Transfer of Funds		209
CCC-478	Production Flexibility Contract		3, 237
CCC-500	Loan Repayment Receipt	200	199, 201, 209
CCC-500-1	Loan Repayment Receipt Continuation Sheet		200
CCC-502A	Farm Operating Plan for Payment Eligibility Review for an Individual		43, 223
CCC-502B	Farm Operating Plan for Payment Eligibility Review for a Joint Venture or General Partnership		43, 223
CCC-502C	Farm Operating Plan for Payment Eligibility Review for Corporations, Limited Partnerships or Other Similar Entities		43, 223
CCC-502D	Farm Operating Plan for Payment Eligibility Review for an Estate or Trust		43, 223
CCC-502U	Update for CCC-502		43, 223
CCC-601	Commodity Credit Corporation Note and Security Agreement Terms and Conditions	Ex. 16	162, 189, 190, 222.7, 242, 243

1/ This form is obsolete.

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-601 ELS Appendix	Appendix to CCC-601, Note and Security Agreement Terms and Conditions for Outside Storage of ELS Cotton	Ex. 19	222.7, 223.8, 224
CCC-605	Authorization of Electronic Agent and Designation of Agent - Cotton	207	Text, Ex. 20
CCC-605-1	Designation of Agent - Cotton (Continuation Sheet to CCC-605)	207	201, 204, 206
CCC-605-2	Designation of Subsequent Agent - Cotton	207	204-206
CCC-633EZ	Loan Deficiency Payment (LDP) Agreement and Request	261.5, 274	Text
CCC-634-E 1/	Request for Electronic Loan Deficiency Payment (eLDP) Services		282
CCC-638	Confirmation of Sale	36	
CCC-639	Competitive Bid Pricing Worksheet	36	
CCC-664	Agreement to Permit Assumption of a Commodity Credit Corporation (CCC) Loan		28
CCC-674	Certification for Contracts, Grants, Loans and Cooperative Agreements	37	
CCC-679	Lien Waiver	163	41, 165, 181, 201, 237
CCC-683	Commodity Loan Seal	239	236, 238
CCC-686	Application for Loan or Loan Deficiency Payment by Heirs (On a Commodity Produced by a Person Who Has Died)	105	
CCC-694-2	Acknowledgment of Commodity Certificate Purchase	201	181
CCC-697	Request to Lock in a Market Loan Repayment Rate		197
CCC-709 1/	Direct Loan Deficiency Payment Agreement		261, 276
CCC-734	Notification of Pending Redemption and/or LDP Request	50	50

1/ These forms are obsolete.

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-809	Cooperating Ginner's Bagging and Bale Ties Certification and Agreement	72	71, 73, 76, 77
CCC-877	Seed Cotton Loan Worksheet	238	236, 237, 240, 242, 243
CCC-879	Application for Approval of Cotton Gin Under Seed Cotton Loan Program	79	78, 80
CCC-880	Ginner's Seed Cotton Agreement	80	
CCC-881	Seed Cotton Producer's Note and Security Agreement	242	240, 241, 243, 253
CCC-881-1	Seed Cotton Producer's Note and Security Agreement, Continuation Sheet	243	240, 241, 253
CCC-883	Seed Cotton Removal, Ginning and Marketing Authorization	253	250, 251
CCC-1099-G	Report of Payments to Producers		201
CCC-Cotton A	Cotton Producer's Note and Security Agreement	189	Text, Ex. 2
CCC-Cotton A Continuation	CCC-Cotton A Continuation Sheet	190	187, 188, 223.9
CCC-Cotton A-1	Schedule of Pledged Cotton	191	Text
CCC-Cotton A-5	Statement of Eligibility and Information Worksheet	182	Text, Ex. 2

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-Cotton AA <u>1</u> /	Upland Cotton Producer's Loan Deficiency Payment Application and Certification		Text
CCC-Cotton AA-1	Schedule of LDP for Upland Cotton	278, 285.2	Text
CCC-Cotton AA-2	Spotcheck of Upland Cotton Subject to AWP Lock-In	275	
CCC-Cotton G	Cotton Cooperative Loan Agreement		250, Ex. 2
FSA-211 - 211A	Power of Attorney (Includes FSA-211A, Power of Attorney Signature Continuation Sheet)		45, 181, 201, 237
FSA-237 <u>1</u> /	Facsimile Signature Authorization and Verification		205
FSA-578	Report of Acreage		118, 181, 185, 237
KC-232	Notice of Approval or Change in Status of Storage Agreement or Contract		48
SF-LLL	Disclosure of Lobbying Activities	37	
UCC-1	National Financing Statement		163, 226, 223,7
UCC-1F	Effective Financing Statement		226

1/ These forms are obsolete.

Schedule of Loan Rates for ELS Cotton (American-Pima) by Color, Leaf, and Staple

The following schedule of loan rates is applicable for eligible qualities of 2006 crop ELS cotton stored in approved warehouses at all locations. ELS cotton with a staple length of less than 44/32 is ineligible for loan. For 2004 through 2007 crop ELS cotton, the national average loan rate is \$0.7977 per pound.

Color	Leaf	Staple Length (Inches)		
		1-3/8 Inches (44/32)	1-7/16 Inches (46/32)	1-1/2 Inches (48/32) and Longer
1	1-2	77.40	83.00	83.10
	3	74.05	79.65	79.75
	4	73.90	79.50	79.60
	5	73.80	*--79.40--*	79.50
	6	73.70	79.30	79.40
	7	73.70	79.30	79.40
2	1-2	76.75	82.50	82.80
	3	73.40	79.15	79.45
	4	73.25	79.00	79.30
	5	73.15	78.90	79.20
	6	73.05	78.80	79.10
	7	73.05	78.80	79.10
3	1-2	73.85	76.85	*--77.30--*
	3	70.50	73.50	73.95
	4	70.35	73.35	73.80
	5	70.25	73.25	73.70
	6	70.15	73.15	73.60
	7	70.15	73.15	73.60
4	1-4	63.30	65.45	65.45
	5	59.70	61.85	61.85
	6	59.60	61.75	61.75
	7	59.60	61.75	61.75

--*

Schedule of Loan Rates for ELS Cotton (American-Pima) by Color, Leaf, and Staple (Continued)

*--

Color	Leaf	Staple Length (Inches)		
		1-3/8 Inches (44/32)	1-7/16 Inches (46/32)	1-1/2 Inches (48/32) and Longer
5	1-5	51.75	52.25	52.25
	6	48.05	48.55	48.55
	7	48.05	48.55	48.55
6	1-6	45.40	45.50	45.50
	7	41.70	41.80	41.80
7	1-7	37.00	37.00	37.00

Notes: A micronaire premium of 93 points (0.93 cents) per pound is reflected in the loan rates for the eligible qualities. The adjusted NALR reflected in this schedule is 80.70 cents per pound.

All grades of ELS cotton are subject to loan adjustments for micronaire, extraneous, and strength matter as shown in Exhibit 11. For 2006 crop ELS cotton, the loan rate cannot be adjusted below zero. CCC does not provide a loan on a bale unless it is computed loan rate is greater than zero.--*